



2ND RGNUL SPORTS AND ENTERTAINMENT LAW NATIONAL MEDIATION COMPETITION
06-08 MARCH 2020

PRELIM - 1*

BACKGROUND INFORMATION

Gautam Karhadkar was merely a young and budding squash player a mere 12 months ago and is now a household name in sports across India. Following his 'against the odds' victory as a wildcard entrant at the JPG Polo Squash Masters in January 2019, Gautam has rapidly risen up the ranks of the professional squash tour with impressive performances in Canada, Spain and Turkey to name a few. He now holds 2 major titles, a number of podium finishes and the reputation of being a solid and seasoned competitor.

Singhania Inc. is one of the oldest conglomerates in India with a reputation for building a strong image in every sector/industry that they venture into. They are one of the fiercest market operators in terms of their shrewd strategies and old-school appeal to the masses. Singhania Cements is one of the subsidiaries of Singhania Inc. and has been a market leader in cement manufacturing since as early as the 1960s in India.

DISPUTE FACTS

In the month of February 2019 and a few weeks following the victory of Gautam Karhadkar at the JPG Polo Squash Masters 2019, one of the chief executives of

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Singhania Cements got in touch through some mutual friends and set up a lunch meeting with Gautam to discuss the potential of a sponsorship and brand endorsement arrangement. The meeting took place at one of the premier hotels in New Delhi during the break between tournaments. After a 2-hour long discussion, it was decided that the key points of agreement would be conveyed *via* email before the formal drafting of an agreement commenced.

After a couple of weeks of back and forth emails, an agreement was successfully executed between Gautam Karhadkar with his legal representatives and the executives from Singhania Cements. The large scope of the agreement was that Gautam would agree to include the 'Singhania Cements brand logo' on his training gear, equipment and match gear. Further, Gautam would be required to provide certain specified hours of his time for the purposes of advertisements and content creation for promotional material.

In consideration for all the obligations mentioned above, Singhania Cements were required to sponsor the training equipment and training sessions on a yearly basis up to a specified amount with Gautam's representatives being required to provide monthly invoices for the same. Further, Singhania Cements' Media Relations Team were required to strictly obtain consent before posting and promotional or other content related to Gautam on any public forum.

The strict system of consent had been built in because Gautam's parents were very apprehensive about Gautam's image and increasing fame amongst the Indian media. It is for this reason as well that Gautam consented to only a 2-year contract with Singhania Cements as opposed to the industry standard of 4 years. The Agreement was signed between the parties on the 28th of February 2019.

Singhania Cements were proud at the beginning of the year 2020 to note that they had almost completed a year-long successful relationship with Gautam Karhadkar. Several short advertisements and promotional shoots were conducted with Gautam

who had also built a good rapport with the executives whom he communicated with from Singhanian Cements.

Considering that Gautam was now an established athlete who had become a household name across India, his newly appointed agent decided that it was time to strike a few more deals right at the beginning of 2020 and before the commencement of the squash calendar season. Gautam was absolutely clear that there must be no conflict with the existing arrangements that he had already entered into and the same was concurred by his agent.

During the month of February 2020, several high-profile meetings were set up between Gautam and his agent with a few of the top brands in India and abroad. One of these meetings took place with the CEO of Bajaria Cements, Ms. Isha Tyagi. At first, the news of this meeting was brought to the notice of the executives at Singhanian Cements who laughed it off as they were confident in their mutual understanding with Gautam and the agreement that they had signed with him.

Towards the end of February, however, Singhanian Cements were surprised to find that they had received a communication from Gautam's agent, intimating Gautam's intention to sign a long-term deal with Bajaria Cements that would, for a period of 1 year, run parallel to the current agreement between Singhanian Cements and Gautam Karhadkar. Gautam's agent specified that the communication was in the form of an essential disclosure as was required by the terms of the current agreement between the two parties.

The executives at Singhanian Cements were furious and sent a strict Notice of breach to Gautam with the claim that he had violated an understanding between the parties that Gautam would not sign any deal with a market competitor of Singhanian Cements or with any company in the Cements industry for the duration of the term of their agreement. Gautam's agent, however, was quick to point out that no such term existed in the formal agreement and therefore any pre-existing verbal arrangements would not be valid or enforceable between them.

The two parties traded vicious emails before finally, Singhania Cements sent a Notice for Termination of Agreement to Gautam Karhadkar. His agent responded with a Notice of Material Breach claiming compensation of INR 50,00,000/- for wrongful termination of contract. Considering this unruly escalation, Gautam's agent requested that both parties attempt to mediate their differences in order to protect both of their own respective public images.